



Tools To Revitalize California Communities

**Lisa M. Harris, Executive Director
California Debt and Investment
Advisory Commission**

**Moving State Policies:
Tools to Revitalize California
Communities**

Bridging the Bay

April 26, 2003

Creating Regional Equity Through State Treasurer's Office Programs

- **State Treasurer Phil Angelides has implemented and expanded numerous programs focusing on the underserved areas of California.**
- **Treasurer Angelides' programs focus on addressing the issues associated with the State "devolving into 'two Californias' – one of opportunity and wealth, and one of struggle that is outside the mainstream of economic hope."***
 - Taken from a speech by State Treasurer Phil Angelides at the Rainbow/PUSH Digital Solutions Conference in San Jose, California on April 25, 2002.

Tools to Revitalize California Communities and Promote Regional Equity

- **Loans and Grants**
- **Equity Financing & Targeted State Investments**
- **Programs offered through debt authorities for specific purposes:**
 - brownfield remediation and redevelopment
 - pollution control financing
 - small business financing
 - affordable housing
 - health facility financing
 - industrial development financing
 - school financing

Housing Debt Financing

- **Adopted new rules for allocating \$1.6 billion in low-cost, tax-exempt financing for affordable housing, pollution control, job creation, and student loans.**
- **Under the new system, projects are prioritized based on public policy objectives that target resources to lower income communities, support sustainable development, and leverage public dollars.**
- **Administered by the California Debt Limit Allocation Committee**
 - **Executive Director, Laurie Weir (916) 653-3255**

Housing Tax Credits Financing

- **Adopted a new point system for allocating over \$600 million annually in federal and state tax credits for low-income rental housing.**
- **Points are awarded for a variety of items, ranging from serving lower income tenants, to achieving energy efficiencies, to the degree that the project will contribute to revitalization efforts in the area where it is located.**
- **Administered by the California Tax Credit Allocation Committee**
 - **Executive Director, Jeanne Peterson (916) 654-6340**

Health Care Financing

- **Adopted the HealthCap Loan Program that focuses on leveraging \$10 million in state monies with participation by private sector lenders to increase access to capital for small and rural health facilities that have difficulty obtaining adequate financing for their capital needs.**
- **Expanded the Help II Loan Program to provide additional funding for loans to health clinics serving low income communities.**

Health Care Financing, continued

- Played a key role in the implementation of the Cedillo-Alarcon Community Clinic Investment Grants which provided \$50 million in grant money to community clinics to expand health services for low-income families.
- Administered by the California Health Facilities Financing Authority
 - Executive Director Terry Partington,
(916) 653-2799

Brownfield Remediation Financing

- **Sponsored legislation to initiate the California Recycle Underutilized Sites (CalReUSE) Program which leverages capital investment in the remediation and reuse of brownfield sites which have economically feasible reuse potential but which require limited public financial assistance to secure equity and debt financing.**
- **Administered by the California Pollution Control Financing Authority**
 - **Executive Director Steve Sakurai,**
(916) 654-5610

Manufacturing Financing

- **Adopted new eligibility rules to provide easier funding access to Industrial Development Bonds (IDB), which are a low cost, low interest financing tool for manufacturing or processing company capital expenditures.**
- **Created a new Equipment Only Purchase Program (EOPP) to finance the purchase of equipment.**
- **Developed the Small Business Program to create a “one-stop-shop” streamlined small business issuance process for IDB financing.**

Manufacturing Financing, continued

- **Worked with State Teacher's Retirement System to create a Letter of Credit Program as a mechanism for bonds to be issued for small- and medium-sized businesses under the STRS strong credit rating while allowing their existing banking relationships.**
- **Developed the Energy Financing Program to provide financing for California manufacturers for energy efficient equipment.**
- **Administered by the California Industrial Development Financing Advisory Commission**
 - **Executive Director, Joanie Jones Kelly (916) 653-3843**

Small Business Financing

- **Expanded the California Capital Access Program (CalCap) to increase the delivery network of lenders who receive portfolio insurance for targeting small business in economically struggling areas.**
- **Administered by the California Pollution Control Financing Authority**
 - **Executive Director, Steve Sakurai**
(916) 654-5610

Investments In California Communities

■ Home Loan Investments

- Utilizing the Pooled Money Investment Account (PMIA), purchased Community Reinvestment Act (CRA) home loans made to low and moderate income Californians in low and moderate income neighborhoods. As of December 31, 2002, PMIA currently has \$1.3 billion in CRA mortgages (including Teacher Assisted Mortgages).

Investments In California Communities, continued

■ Small Business Investments

- Utilized the Pooled Money Investment Account to purchase California-only securitized small business loans with an increased emphasis on purchasing loans made in areas of the State that are struggling economically. Since the Treasurer took office, PMIA has invested in over \$319 million in small business loans made in California.
- Administered by the State Treasurer's Investment Division
 - Assistant Director Bill Dowell, (916) 653-3147

Investments In California Communities, continued

■ Real Estate Investments

- As a California Public Employee Retirement System (CalPERS) Board member, urged greater investment through the California Urban Real Estate (CURE) Program, in real estate development within California's urban communities to address both the housing shortage as well as a lack of general development in urban infill locations throughout California.
- The CURE program includes nine partners with a total of \$935 million allocated for California urban infill investments as of December 31, 2001

Investments In California Communities, continued

■ Business Development

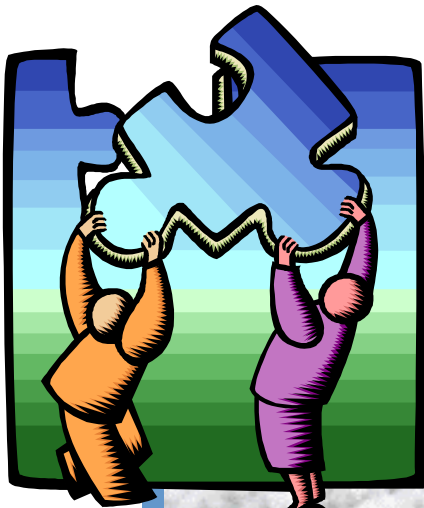
- As a CalPERS Board member, promoted the CalPERS California Initiative, a program designed to deploy equity capital in traditionally underserved markets, primarily in California. This program has the double bottom line goals of achieving risk-adjusted, market returns for the pension system while broadening economic opportunity.
- \$475 million allocated to eleven partners across California

In addition to this program, where can I learn more about these financing programs?

- **CDIAC's *Tools to Revitalize California Communities Resource Guide***
- **Join CDIAC for Tools to Revitalize California Communities on October 17, 2003, in Los Angeles at the Westin Bonaventure!**

Keynote Address:

State Treasurer Phil Angelides



Tools To Revitalize California Communities

• **October 17, 2003 in Los Angeles!**

- **One-day program with 64 speakers highlighting important economic development financing tools from the State Treasurer's Office, and other state and federal agencies**
- **Topics to be presented include:**
 - **Business and Job Creation - Bond Financing and Loan Programs**
 - **Creating Affordable Health Care**
 - **California Affordable Housing Programs**
 - **Technical Assistance Programs for Brownfield Sites**
 - **Private Equity Investment Programs**
 - **Urban Real Estate Development and Financing Programs**

To learn about future economic development programs....

- Access CDIAC's website at:
 - www.treasurer.ca.gov/cdiac
- E-mail CDIAC at:
 - cdiac@treasurer.ca.gov
- Call CDIAC at:
 - (916) 653-3269
- Fax CDIAC at:
 - (916) 654-7440